

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2013-267-C - ORDER NO. 2013-774

OCTOBER 29, 2013

IN RE: Application of Anderson Telephone, Inc. for)	ORDER GRANTING
Certificate of Public Convenience and)	CERTIFICATE AND
Necessity to Provide Resold and Facilities)	APPROVING FLEXIBLE
Based Local Exchange and Interexchange)	AND MODIFIED
Telecommunications Services in the State of)	ALTERNATIVE
South Carolina)	REGULATION

This matter comes before the Public Service Commission of South Carolina (“Commission”) by way of the Application of Anderson Telephone, Inc. (“Anderson Telephone” or the “Company”) requesting a Certificate of Public Convenience and Necessity authorizing it to provide resold and facilities-based local exchange and interexchange telecommunications services within the State of South Carolina. Anderson Telephone’s Application was filed pursuant to S.C. Code Ann. Section 58-9-280 and the rules and regulations of the Commission. By its Application, Anderson Telephone also requests flexible regulation of its local exchange service offerings pursuant to Commission orders adopted in Docket No. 97-467-C, alternative regulation of its business interexchange services as first approved in Docket No. 1995-661-C, and waiver of certain Commission regulations.

The Commission’s Clerk’s Office instructed Anderson Telephone to publish once a Notice of Filing in newspapers of general circulation in the area of the state affected by the Application. The purpose of the Notice of Filing was to inform interested parties of

Anderson Telephone's Application and of the manner and time in which to file the appropriate petitions for participation in the proceeding. Anderson Telephone complied with this requirement and submitted proof of publication of the Notice of Filing to the Commission. The South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this proceeding. Anderson Telephone and SCTC entered into a Stipulation regarding service to rural areas in South Carolina, attached as Order Exhibit 1.

The South Carolina Office of Regulatory Staff ("ORS") filed a letter on October 3, 2013, stating that it did not object to the Application and respectfully requested to be excused from the hearing. The Commission granted ORS's request on October 3, 2013. A hearing was convened on October 7, 2013, at 11:00 a.m. in the Commission's offices in Columbia, South Carolina, before F. David Butler, Hearing Examiner. Anderson Telephone was represented by Thomas F. Bardo, Esquire, and Jeremy C. Hodges, Esquire. ORS and SCTC did not appear at the hearing. Thomas H. Hadden, Anderson Telephone's President and Chief Executive Officer, appeared at the hearing and testified in support of the Company's Application.

The record establishes that Anderson Telephone is a corporation organized under the laws of the State of South Carolina. According to Mr. Hadden, the Company seeks authorization to operate as a facilities-based provider and reseller of competitive local exchange and interexchange services. Mr. Hadden testified that the Company initially plans to serve commercial customers in South Carolina. Mr. Hadden also testified that the Company may serve residential subscribers in South Carolina at some time in the future. Mr. Hadden further testified regarding the Company's technical, financial and

managerial resources to provide facilities-based and resold competitive local exchange and interexchange services. Mr. Hadden specifically testified that Anderson Telephone's senior management has extensive experience in the provision of telecommunications services and that the Company has highly qualified technical personnel to ensure that its operations in South Carolina will meet demanding standards for service quality and reliability. With regard to financial resources, Mr. Hadden stated that Anderson Telephone is a start-up company and that it will rely on the financial support of its affiliated entities, TNE Global Telecom, Inc. and Tandem Telephone, Inc., both of which are commonly owned with the Company. Anderson Telephone had filed the financial statements for both of these entities under seal with its Application.

After consideration of the applicable law, Anderson Telephone's Application, and the evidence presented at the hearing, the Commission hereby issues its findings of fact and conclusions of law:

FINDINGS OF FACT

1. Anderson Telephone is a corporation organized under the laws of the State of South Carolina.

2. Anderson Telephone seeks authorization to operate as a provider of facilities-based and resold local exchange and interexchange services in South Carolina.

3. The Commission finds that the Company possesses the managerial experience and capability to operate as a provider, on a facilities-basis and through resale, of local exchange services and interexchange services in South Carolina.

4. The Commission finds, based on the financial statements for its affiliated entities, TNE Global Telecom, LLC and Tandem Telephone, Inc., submitted with Anderson Telephone's Application, and Mr. Hadden's testimony at the hearing, that the Company possesses sufficient financial resources to provide the services described in its Application and testimony.

5. The Commission finds that the issuance of a Certificate of Public Convenience and Necessity to Anderson Telephone to operate on a facilities-basis and as a reseller of local exchange telecommunications and interexchange services in South Carolina would be in the best interest of the citizens of South Carolina by affording more options to customers to purchase such services.

6. Anderson Telephone has the managerial, technical, and financial resources to provide the services described in its Application and in Mr. Hadden's testimony. S.C. Code Ann. Section 58-9-280(B)(1).

7. The Commission finds that the Company's "provision of service will not adversely affect the availability of affordable local exchange service." S.C. Code Ann. Section 58-9-280(B)(3).

8. The Commission finds that Anderson Telephone will support universally available telephone service at affordable rates. S.C. Code Ann. Section 58-9-280(B)(4).

9. The Commission finds that the services to be provided by Anderson Telephone will meet the service standards of the Commission. S.C. Code Ann. Section 58-9-280(B)(2).

10. The Commission finds that the provision of local exchange service by Anderson Telephone “does not otherwise adversely affect the public interest.” S.C. Code Ann. Section 58-9-280(B)(5).

CONCLUSIONS OF LAW

1. The Commission concludes that Anderson Telephone possesses the managerial, technical, and financial resources to provide the telecommunications services described in its Application and in Mr. Hadden’s testimony.

2. The Commission concludes that Anderson Telephone will participate in the support of universally available telephone service at affordable rates to the extent that Anderson Telephone may be required to do so by the Commission.

3. The Commission concludes that Anderson Telephone will provide services which will meet the service standards of the Commission.

4. The Commission concludes that approval of Anderson Telephone’s Application to provide intrastate telecommunications services within South Carolina will serve the public interest by providing for efficient use of existing telecommunications resources.

5. The Commission concludes that the provision of telecommunications services by Anderson Telephone will not adversely affect the public interest.

6. The Commission concludes that the issuance of authority to provide competitive intrastate local exchange and interexchange telecommunications services as requested by Anderson Telephone and as set forth in its Application and in Mr. Hadden’s testimony is in the best interest of the citizens of South Carolina.

7. The Commission concludes that a Certificate of Public Convenience and Necessity should be granted to the Company to provide competitive intrastate local exchange telecommunications services and intrastate interexchange telecommunications services.

8. The Commission concludes that Anderson Telephone's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. The Commission has previously granted this "alternative regulation" to competitive intrastate interexchange carriers operating within South Carolina, and the Commission concludes that the competitive marketplace requires the Commission to allow this flexible regulation to those carriers who request it. Specifically, the Commission-approved alternative regulation allows business service offerings, including consumer card services and operator services, to be subject to a relaxed regulatory scheme identical to that granted to AT&T Communications in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C.

9. The Commission concludes that the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 1998-65 in Docket No. 97-467-C. Specifically, the Commission adopts for Anderson Telephone's competitive intrastate local exchange services a rate structure incorporating maximum rate levels with the flexibility for adjustment below the

maximum rate levels approved by the Commission. Further, Anderson Telephone's local exchange service tariff filings are presumed valid upon filing. An investigation of the tariff filing may be instituted within thirty (30) days of the tariff filing, in which case the tariff filing would be suspended pending a further order of the Commission. If an investigation is instituted on a particular tariff filing, notice of the investigation will be provided to the person or entity making the tariff filing and to the Commission. The notice is timely if dated within thirty (30) days of the filing date. Further, any such tariff filings will be subject to the same monitoring process as similarly situated local exchange carriers.

10. The stipulation between Anderson Telephone and the SCTC should be approved.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED THAT:

1. A Certificate of Public Convenience and Necessity should be granted to Anderson Telephone to provide intrastate interexchange services as a facilities-based carrier and through the resale of services furnished by carriers approved by the Commission, as well as to provide facilities-based and resold local exchange telecommunications services within the State of South Carolina.

2. Anderson Telephone shall file its revised local exchange and interexchange tariffs using the Commission's e-filing system for tariffs within thirty (30) days of the issuance of this order. The revised tariffs should be filed electronically in a text searchable PDF format using the Commission's DMS System (<http://dms.psc.sc.gov>). An additional copy should be sent via email to

etariff@psc.sc.gov to be included in the Commission's ETariff System (<http://etariff.psc.sc.gov>). Future revisions to the Company's tariffs should be made using the ETariff system. Revised tariffs shall be consistent with the Commission's rules and regulations.

3. With regard to the Company's resale of service, an end-user should be able to access another interexchange carrier or operator service provider if the end-user so desires.

4. Anderson Telephone shall only use the services and facilities of those interexchange carriers or LECs authorized by the Commission to do business in South Carolina. If Anderson Telephone changes underlying carriers, it shall notify the Commission in writing.

5. With regard to the origination and termination of toll calls within the same LATA, Anderson Telephone shall comply with the terms of Order No. 93-462, Order Approving Stipulation of Agreement, in Docket Nos. 92-182-C, 92-183-C, and 92-200-C (June 3, 1993), with the exception of the 10-XXX intraLATA dialing requirement, which has been rendered obsolete by the toll dialing parity rules established by the FCC pursuant to the Telecommunications Act of 1996 (47 C.F.R. §51.209). Specifically, Anderson Telephone shall comply with the imputation standard adopted by Order No. 93-462 and more fully described in paragraph 4 of the Stipulation and Appendix B approved by Order No. 93-462.

5. Anderson Telephone shall comply with Title 23, Chapter 47, South Carolina Code of Laws Ann. which governs the establishment and implementation of a

“Public Safety Communications Center,” which is more commonly known as a “911 system” or “911 service.” Services available through a 911 system include law enforcement, fire, and emergency medical services. In recognition of the necessity of quality 911 services being provided to the citizens of South Carolina, the Commission hereby instructs the Company to contact the appropriate authorities regarding 911 service in the counties and cities where the Company will be operating. Contact with appropriate 911 service authorities is to be made before beginning telephone service in South Carolina. Contact with the appropriate authorities is to be made before providing voice or dial tone telephone service in South Carolina. Accompanying this Order is a memorandum from the State 911 Office at the Office of Research & Statistics of the South Carolina Budget and Control Board. This memorandum provides information about contacting County 911 Coordinators. By this order and prior to providing voice or dial-tone services within South Carolina, Anderson Telephone is directed to contact the 911 Coordinator in each county, as well as the 911 Coordinator in each city where the city has its own 911 system, and shall provide information regarding the Company’s operations as required by the 911 system.

6. Anderson Telephone shall file annual financial information in the form of annual reports and gross receipts reports as required by the Commission. The annual report and the gross receipts report will necessitate the filing of intrastate information. Therefore, Anderson Telephone shall keep financial records on an intrastate basis for South Carolina to comply with the annual report and gross receipts filings. The “Telecommunications Company Annual Report” form shall be used by the Company to

file annual financial information with the Commission no later than April 1st. This form is available on the ORS website at www.regulatorystaff.sc.gov.

7. A Commission “Gross Receipts Form” is due to be filed with the Commission and ORS no later than August 31st of each year. Each telecommunications company certified in South Carolina is required to file annually with the ORS the Intrastate Universal Service Fund (“USF”) worksheet. This worksheet provides ORS information required to determine each telecommunications company’s liability to the South Carolina USF fund. The Intrastate USF worksheet must be filed annually with the Commission and ORS by July 1st. The Gross Receipts Form and the Intrastate USF worksheet are available on the ORS website at www.regulatorystaff.sc.gov.

8. Anderson Telephone shall designate and maintain an authorized utility representative who is prepared to discuss, on a regulatory level, customer relations (complaint) matters, engineering operations, tests and repairs. In addition, Anderson Telephone shall provide to the Commission and ORS in writing the name of the authorized representative to be contacted in connection with general management duties as well as emergencies which occur during non-office hours. Anderson Telephone shall file the names, addresses, and telephone numbers of these representatives with the Commission within thirty (30) days of receipt of this Order. The “Authorized Utility Representative Information” form, available on the ORS website at www.regulatorystaff.sc.gov, shall be used for the provision of this information to the Commission and ORS. Further, Anderson Telephone must notify the Commission and ORS promptly if the representatives are replaced.

9. The Commission directs Anderson Telephone to comply with all of the Commission's rules and regulations, unless the Commission specifically waives a regulation.

10. Anderson Telephone requests that it be exempt from recordkeeping policies that require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). The FCC developed the USOA as a means of regulating telecommunications companies subject to rate regulation. The Company maintains its books of accounts in accordance with Generally Accepted Accounting Principles ("GAAP"). GAAP is used extensively by interexchange carriers and other competitive telecommunications carriers. The Commission grants Anderson Telephone's request for an exemption from the USOA requirements. The Commission also waives 10 S.C. Code Ann. Regs. 103-631 regarding the publication and distribution of directories as to the Company. Anderson Telephone has agreed to arrangements with publishers of local directories in South Carolina to include the names and telephone numbers of Anderson Telephone's subscribers and customers in local directories, unless a subscriber indicates his or her desire for an unpublished telephone number.

11. The Commission adopts a rate design for the Company for its residential interexchange services which include maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

12. The Company shall not adjust its residential interexchange rates for end-users below the approved maximum level without notice to the Commission and to the public. The Company shall file its proposed rate changes, publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. However, the public notice requirement is waived, and therefore not required, for reductions below the maximum cap in instances which do not affect the general body of subscribers or do not constitute a general rate reduction. In Re: Application of GTE Sprint Communications, etc., Order No. 93-638, issued in Docket No. 84-10-C (July 16, 1993). Any proposed increase in the maximum rate level for residential interexchange services reflected in the tariff which would be applicable to the general body of the Company's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C. Code Ann. § 58-9-540 (Supp. 2012).

13. The Commission determines that the Company's intrastate interexchange business telecommunications services shall be regulated in accordance with the principles and procedures established for alternative regulation of business service offerings set out in Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. However, pursuant to Order No. 2001-997 (Docket No. 2000-407-C), this Commission has modified alternative regulation by the re-imposition of rate caps with regard to certain "operator-assisted calls" where a customer uses a local exchange carrier's calling card to complete calls from locations which have not selected that local exchange carrier as the toll provider. Order No. 2001-997, dated November 8, 2001, imposed a maximum cap of

\$1.75 for operator surcharges for such calls, and a maximum cap of \$0.35 related to the flat per-minute rate associated with these calls. Under this relaxed regulatory scheme, tariff filings for business services shall be presumed valid upon filing.

14. The Commission also determines that the Company's local exchange telecommunications services shall be regulated in accordance with the principles and procedures established for flexible regulation first granted to NewSouth Communications by Order No. 1998-165 in Docket No. 97-467-C.

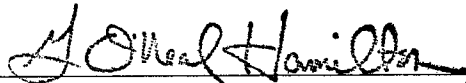
15. If Anderson Telephone modifies its business plan to include the offering of retail residential local exchange service, the Company shall comply with S.C. Code Ann. Regs. 103-607 (2012) and Commission orders pertaining to bond requirements.

16. Anderson Telephone shall comply with the verification regulations governing change of preferred carriers as established by the FCC.


17. The stipulation between Anderson Telephone and SCTC is hereby approved and incorporated as part of this Order.

18. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:


G. O'Neal Hamilton, Chairman

ATTEST:


Nikiya Hall, Vice Chairman

(SEAL)

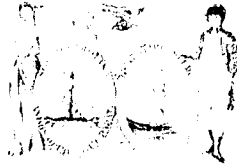
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Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

Docket No. 2013-267-C

Re: Application of Anderson Telephone, Inc. for)
a Certificate of Public Convenience and)
Necessity to Provide Resold and Facilities-)
Based Local Exchange and Interexchange)
Telecommunications Services in the State)
of State of South Carolina)

STIPULATION

The South Carolina Telephone Coalition ("SCTC") (see attachment "A" for list of companies) and Anderson Telephone, Inc. ("Anderson Telephone") hereby enter into the following stipulations. As a consequence of these stipulations and conditions, SCTC does not oppose Anderson Telephone's Application. SCTC and Anderson Telephone stipulate and agree as follows:

1. SCTC does not oppose the granting of a statewide Certificate of Public Convenience and Necessity to Anderson Telephone, provided the South Carolina Public Service Commission ("Commission") makes the necessary findings to justify granting of such a certificate, and provided the conditions contained within this stipulation are met.

2. Anderson Telephone stipulates and agrees that any Certificate which may be granted will authorize Anderson Telephone to provide service only to customers located in non-rural local exchange company ("LEC") service areas of South Carolina, except as provided herein.

3. Anderson Telephone stipulates that it is not asking the Commission to make a finding at this time regarding whether competition is in the public interest for rural areas.

4. Anderson Telephone stipulates and agrees that it will not provide any local service, by its own facilities or otherwise, to any customer located in a rural incumbent LEC's service area, unless and until Anderson Telephone provides such rural incumbent LEC and the Commission with written notice of its intent to do so at least thirty (30) days prior to the date of the intended service. During such notice period, the rural incumbent LEC will have the opportunity to petition the Commission to exercise all rights afforded it under Federal and State law. Also, Anderson Telephone acknowledges that the Commission may suspend the intended date for service in rural LEC territory for ninety (90) days while the Commission conducts any proceeding incident to the Petition or upon the Commission's own Motion, provided that the Commission can further suspend the implementation date upon showing of good cause.

5. Anderson Telephone stipulates and agrees that, if Anderson Telephone gives notice that it intends to serve a customer located in a rural incumbent LEC's service area, and either (a) the Commission receives a Petition from the rural incumbent LEC to exercise its rights under Federal or State law within such 30-day period, or (b) the Commission institutes a proceeding of its own, then Anderson Telephone will not provide service to any customer located within the service area in question without prior and further Commission approval.

6. Anderson Telephone acknowledges that any right which it may have or acquire to serve a rural telephone company service area in South Carolina is subject to the conditions contained herein, and to any future policies, procedures, and guidelines relevant to such

proposed service which the Commission may implement, so long as such policies, procedures, and guidelines do not conflict with Federal or State law.

7. The parties stipulate and agree that all rights under Federal and State law are reserved to the rural incumbent LECs and Anderson Telephone, and this Stipulation in no way suspends or adversely affects such rights, including any exemptions, suspensions, or modifications to which they may be entitled.

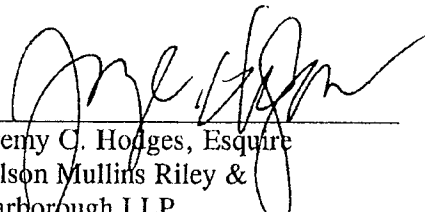
8. Anderson Telephone agrees to abide by all State and Federal laws and to participate, to the extent it may be required to do so by the Commission, in the support of universally available telephone service at affordable rates.

9. Anderson Telephone hereby amends its application in this docket to the extent necessary to conform with this Stipulation.

10. Notwithstanding any provision contained herein, the terms, conditions and limitations of this Stipulation apply only in those instances where a rural telephone company's federal rural exemption under 47 U.S.C. §251(f)(1) is implicated.

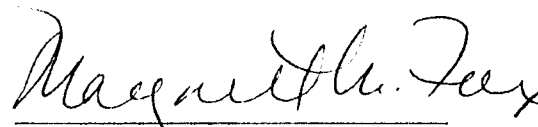
AGREED AND STIPULATED to this 27th day of August,
2013.

Anderson Telephone, Inc.


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Coalition

ATTACHMENT A

South Carolina Telephone Coalition Member Companies
for Purposes of Local Service Stipulation

Chesnee Telephone Company
Chester Telephone Company
Farmers Telephone Cooperative, Inc.
Ft. Mill Telephone Company
Home Telephone Company, Inc.
Lancaster Telephone Company
Lockhart Telephone Company
McClellanville Telephone Company
Norway Telephone Company
Palmetto Rural Telephone Cooperative, Inc.
Piedmont Rural Telephone Cooperative, Inc.
Pond Branch Telephone Company
Ridgeway Telephone Company
Rock Hill Telephone Company
Sandhill Telephone Cooperative, Inc.
St. Stephen Telephone Company
West Carolina Rural Telephone Cooperative, Inc.
Williston Telephone Company